

Message Text

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ACTION OPIC-06

INFO OCT-01 AF-10 NEA-10 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
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R 101610Z APR 78
FM AMEMBASSY RABAT
TO SECSTATE WASHDC 5089
INFO AMEMBASSY DAKAR

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DEPARTMENT PLEASE PASS OPIC FROM AMBASSADOR SMITH

DAKAR FOR AMBASSADOR SMITH

E. O. 11652: N/A
TAGS: EINV, MO
SUBJ: POTENTIAL OPIC SPONSORED INVESTMENT MISSION TO MOROCCO

REF: RABAT 1778

1. INTENSIVE ROUND OF CONSULTATION BY OPIC VICE PRESIDENT SMITH AND EMBASSY WITH HIGH LEVEL GOVERNMENT AND STATE BANKING OFFICIALS IN RABAT APRIL 7 DREW UNANIMOUS REACTION THAT (A) GOM IS, IF ANY-THING, EVEN MORE ANXIOUS THAN BEFORE TO PROMOTE US INVESTMENT IN MOROCCO; (B) AN OPIC-SPONSORED INVESTMENT MISSION WOULD BE WELCOME IN MOROCCO, WITH OCTOBER TIME-FRAME PARTICULARLY APPROPRIATE; (C) RELEVANT GOM INVESTMENT PROMOTION AND BANKING ENTITIES WILL LEND ALL POSSIBLE SUPPORT TO MISSION. NEVERTHELESS, IMPORTANT NUANCES TO ABOVE GENERALITIES WERE MADE BY INDIVIDUAL OFFICIALS. THEIR OBSERVATIONS WILL REQUIRE CAREFUL REVIEW PRIOR TO TAKING FINAL DECISION ON INVESTMENT MISSION IN MOROCCO.

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2. CENTRAL BANK VICE GOVERNOR BENNANI, FOR EXAMPLE, STRESSED IMPORTANCE OF INCLUDING ONLY SERIOUS AND RELIABLE POTENTIAL INVESTORS IN ANY MISSION OFFICIALLY SPONSORED BY USG. NOTING WITH APPROVAL THAT WHILE THERE WAS ALREADY A REPRESENTATIVE GROUP OF US INVESTMENTS IN MOROCCO-- MOST OF WHICH APPEARED TO BE FUNCTIONING REASONABLY WELL-- NOT MANY COULD BE REGARDED AS QUOTE BRILLIANT UNQUOTE, AND

A FEW HAD ACTUALLY TURNED OUT TO BE RATHER UNSATISFACTORY, LEAVING LONG-TERM UNDESIRABLE AFTER-EFFECTS. ONE SUCH AFTER-EFFECT HAS BEEN REGRETTABLE ABSENCE OF US FOREIGN INVESTMENT IN PAST FEW YEARS. GIVEN THESE DEVELOPMENTS, BUT EQUALLY IMPORTANT FACT THAT GOM INCREASINGLY AWARE THAT FOREIGN INVESTMENT REPRESENTS DESIRABLE ALTERNATIVE TO COUNTRY'S CONTINUING NEED FOR DEVELOPMENT CAPITAL AT A TIME OF GROWING FOREIGN DEBT EXPOSURE, RENEWED EFFORT ALONG LINES OF OPIC PROPOSAL WOULD BE DESIRABLE, PROVIDED IT CAREFULLY THOUGHT OUT AND TARGETTED.

3. NECESSITY OF THINKING THROUGH COMPOSITION AND THRUST OF MISSION WELL BEFORE IT COMES TO MOROCCO VIGOROUSLY ECHOED BY BNDE DEPUTY DIRGEN SEFRIQUI. ABSOLUTE PRIORITY FOR UNDERTAKING SUCH AS OPIC PROPOSAL, SEFRIQUI REPEATEDLY OBSERVED, WAS THOROUGH AND DETAILED ADVANCE PREPARATION, WITHOUT WHICH MISSION BECOMES LITTLE MORE THAN TOURIST EXERCISE.

4. DIRECTOR OF INVESTORS RECEPTION CENTER IN PM'S OFFICE JAZOULI ALSO PLEADED FOR DETAILED ADVANCE PREPARATION, CARE IN SELECTION OF PARTICIPANTS, AND CLEAR UNDERSTANDING THAT LATTER NOT SEE MISSION AS MERELY USEFUL OPPORTUNITY TO INCREASE THEIR EXPORT SALES TO MOROCCO.

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5. ODI DIRGEN BALKHAYAT ALSO WELCOMED OPIC PROPOSAL, BUT STRESSED ODI'S INSISTENCE ON BUILDING PERMANENT FOLLOW-UP MECHANISMS AND PROCEDURES INTO BASIC PLANNING FOR MISSION.

6. AT EVENING SOCIAL OCCASION, OMAR ALAOUI, DIRECTEUR CABINET IN MINPLAN, OFFERED TO TRANSLATE PRIVATE SECTOR PORTIONS OF NEW PLAN AND PROVIDE THEM TO EMBASSY WELL IN ADVANCE OF MISSION. MINCOM DIRECTOR OF INDUSTRY MOUMILE EXPRESSED ENTHUSIASM AND OFFERED TO HELP WITH SERIOUS PLANNING. ALL MOROCCANS RECOGNIZED IMPORTANCE OF GIVING OPIC ADVANCE INDICATIONS OF SECTORS, AND EVEN PROJECTS, WHERE US PRIVATE INVESTMENT WOULD BE WELCOME.

7. COMMENT. WHILE THERE IS UNQUALIFIED GOM INTEREST IN SEEKING NEW WAYS TO PROMOTE US INVESTMENT IN MOROCCO, (PERHAPS EVEN MORE AT PRESENT IN VIEW OF MOROCCO'S RAPIDLY INCREASING FOREIGN DEBT EXPOSURE), SMITH CLEARLY PICKED UP SIGNALS OF CAUTION ON THE PART OF VIRTUALLY ALL OFFICIALS INTERVIEWED. LACK OF US INVESTMENT IN RECENT YEARS AND ABSENCE OF EITHER FOLLOW-THROUGH OR RESULTS (IN THE FORM OF SPECIFIC NEW INVESTMENTS ARISING FROM PREVIOUS MISSIONS)

HAVE ALMOST CERTAINLY MADE MANY THOUGHTFUL GOM OFFICIALS SOMEWHAT GUN-SHY, ESPECIALLY WITH RESPECT TO COMMITTING THEIR AGENCIES OR DEPARTMENTS TO ANY WIDELY PUBLICIZED UNDERTAKING WHICH COULD THEN FOLLOW COURSE OF ITS PREDECESSORS.

8. COUPLED WITH EXISTING LOCAL INVESTORS' ATTITUDES AND EMBASSY'S CONTINUING RESERVATIONS (REF), BELIEVE OPIC SHOULD CAREFULLY REVIEW PROS AND CONS BEFORE COMMITTING ITSELF TO WHAT IN ALL CASES WOULD HAVE TO BE EXTEREMLY WELL THOUGHT THROUGH AND ORGANIZED (HENCE COSTLY) MISSION TO MOROCCO.

9. IF MISSION GOES FORWARD, IT WILL BE IMPORTANT NOT TO LIMITED OFFICIAL USE

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LET MOROCCAN HOPES FOR SPEEDY INVESTMENT DECISIONS GET OUT OF HAND. ALSO, EMBASSY WILL NEED TO DETERMINE WHO IN GOM IS TO BE IN CHARGE OF PLANNING AND COORDINATING AT RABAT END, SINCE SEVERAL OFFICIALS SEEMED TO WANT TO TAKE THE LEAD.

10. OPIC VICE PRESIDENT SMITH CLEARED WITH TELEGRAM. ANDERSON

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